

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

RECORDATION NO. 26282 FILED
APR 03 '06 2-39 PM

SURFACE TRANSPORTATION BOARD



VIA UPS 2nd DAY AIR

March 29, 2006

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) is one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated March 3, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Lincolnway Energy, LLC
59511 W. Lincoln Highway
Box 433
Nevada, Iowa 50201

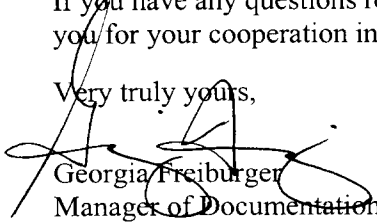
A description of the railroad equipment covered by the enclosed document is ninety (90) 6351 cubic foot covered hopper cars, with FURX marks (see Exhibit A for number).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosure
(LWEN001)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 3rd day of March, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Lincolnway Energy, LLC ("Lessee"), an Iowa corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of March 3, 2006, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of _____, _____, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. SeymourName: RICHARD F. SEYMOUR
VICE PRESIDENT SALES & MARKETING

Title: _____

ATTEST:

By: Janice EnolvaName: JANICE ENOLVATitle: Manager of DocumentationExecuted on this 3rd day of March, 2006.

[CORPORATE SEAL]

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STATE OF ILLINOISCOUNTY OF COOK

SURFACE TRANSPORTATION BOARD

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of March, 2006.

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

LINCOLNWAY ENERGY, LLC

ATTEST:

By: [Signature]
Name: RICHARD BREHM
Title: PRES

By: _____

Name: _____

Title: _____

Executed on this 28th day of FEBRUARY, 2006.

[CORPORATE SEAL]

STATE OF IOWA

COUNTY OF Story

I, Kay Gammon, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 28 day of February, 2006.

Kay D. Gammon
Notary Public

Commission Expires:

12-22-08
(Notary Public)

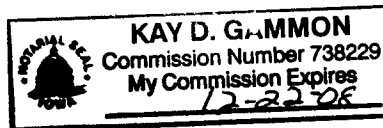


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Ninety (90)

DESCRIPTION OF CARS: Trinity built new, specification number L-40446, 6351 cubic foot
 capacity covered hopper cars.

CAR NUMBERS: FURX 863000 through and including 863089